No. 87-499

IN THE

Supreme Court of the United States

October Term, 1987

CHARLES R. CHRISTIANSON AND
INTERNATIONAL TRADE SERVICES, INC.,
Petitioners,

vs.

COLT INDUSTRIES OPERATING, CORP.
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITIONER'S BRIEF IN REPLY

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I. The Recently Filed Petition for Certiorari in *General Motors*, as Well as Other Appellate Cases Dealing with Federal Circuit Jurisdiction, Illustrate that the Jurisdictional Issues of this Case have Broad Impact.

Colt's contention that the Federal Circuit's decision affects only the present parties is simply wrong. This is demonstrated by the very recently filed (October 27, 1987) petition for certiorari in *Technograph Liquidating Trust, Petitioner v. General Motors Corporation, Respondent*, U.S. Supreme Court No. 87-682, where the petitioner expressly requests the granting of

Christianson's petition for certiorari and points out that the disposition of *Christianson* would likely affect that case.[1] *General Motors* involves a transfer from the Federal to the Third Circuit, with the Third Circuit addressing the merits despite a clear lack of statutory jurisdiction.

The transfer in *General Motors* was purportedly made "pursuant to 28 U.S.C. §1631." Section 1631 permits transfers only if the transferring Court first "finds that there is a want of jurisdiction." No such finding was or could have been made since the case was clearly a patent infringement suit, and the Federal Circuit thus had "exclusive" appellate jurisdiction under 28 U.S.C. §1295(a)(1). Instead, the Federal Circuit, in language reminiscent of that employed in the subject case, invoked a claimed discretion in making the transfer:

> The interest of comity and judicial economy are best served by a transfer to that court. (Pet., No. 87-682, App. B, p. 3a).

A. Jurisdiction is a Matter of Statute, Not Judicial Discretion.

In contrast to the opinions of the Federal and Third Circuits, this Court has stated that once an "appellate court finds" "it is

[1] The questions presented in that petition are verbatim as follows:

(1) Whether the United States Court of Appeals for the Federal Circuit erred when, for reasons of comity and judicial economy, it refused jurisdiction over an appeal, under 28 U.S.C. §1295(a)(1), from the final decision of a district court in which the district court's jurisdiction was based on a claim expressly arising under the patent laws.

(2) Whether the United States Court of Appeals for the Third Circuit erred when it accepted and decided the merits of an appeal from the final decision of a district court in which the district court's jurisdiction expressly was based on the patent laws, when that appeal had been transferred to the Third Circuit from the United States Court of Appeals for the Federal Circuit and the Federal Circuit had made no finding of a want of jurisdiction as required by 28 U.S.C. §1631. (Pet., No. 87-682, p. (i).)

without jurisdiction" it "lacks discretion to consider the merits of a case." *Firestone Tire & Rubber Co. v. Risjord*, 449 U.S. 368, 379 (1981). "For the jurisdiction of the federal courts is limited not only by the provisions of Article III of the Constitution, but by Acts of Congress." And "neither the convenience of litigants nor considerations of judicial economy can suffice" to supplant the will of Congress in matters of jurisdiction.[2] *Owen Equipment & Erection Co. v. Kroger*, 437 U.S. 365, 372, 377 (1978).

Further similar intercircuit conflict regarding Federal Circuit jurisdiction is also reflected in D.C. and Seventh Circuit decisions. In *Professional Manager's Ass'n v. United States*, 721 F.2d 740, 745 (1985), the D.C. Circuit expressly criticized the Seventh Circuit's view in *Squillacote v. United States*, 747 F.2d 432 (7th Cir. 1984), *cert. denied*, 471 U.S. 1016, that "judicial efficiency and fairness" may allow a Court of Appeals to decide a case even though it lacks statutory jurisdiction. The D.C. Circuit, rejecting the notion that courts of appeal may exercise discretion in hearing cases, refused to forego a transfer of a case to the Federal Circuit requested on the grounds of efficiency. Instead it stated that jurisdictional "statutes are the source of our authority to resolve disputes, and they cannot be ignored for reasons of either fairness or efficiency." *Professional Managers*, 761 F.2d at 745.

B. This Court should Resolve the Conflicts Arising from the Act of Congress Delineating the Federal Circuit's Jurisdiction.

The Court of Appeals for the Federal Circuit was created five years ago by the Federal Courts Improvement Act of 1982, 1 et seq., 965 Stat. 25 (28 U.S.C. §1295). Yet, in that time span clear conflicts with Supreme Court precedents, and among the circuits, as to fundamental jurisdictional principles have been

[2] Colt concedes that if the Federal Circuit lacked statutory jurisdiction, as it expressly held, its consideration of the merits was "error." (Colt. Br. p. 9)

recurrent. As the Seventh Circuit noted there is a "burgeoning list of cases delineating, at considerable expense to the parties and the judicial system . . . the boundaries of 28 U.S.C. §1295(a)(1)." *Christianson* (PA-55, 7th Cir., 798 F.2d at 1058). It is time for this Court to resolve the jurisdictional uncertainties present in cases like *Christianson* and the conflict between the Circuits as to whether the demarcation between regional and Federal Circuit jurisdiction is to be administered pursuant to statutory authority or whether non-statutory discretionary exceptions are to be approved.

Turning to the subject case itself, this is not a trivial conflict, as respondent suggests.[3] The Seventh and Federal Circuits are irreconcilably divided, with each categorically and expressly stating that the other is "clearly wrong." This resulted in two federal courts of appeals subjecting the litigants to "back and forth battering" (*Christianson*, PA-28, Fed. Cir., 822 F.2d at 1560) because of their refusals to accept jurisdiction over a class of cases. This is precisely the kind of "real and embarrassing conflict of opinion and authority between the circuit courts of appeal" which is especially worthy of this Court's review.[4] *Layne & Bowler Corp. v. Western Well Works*, 261 U.S. 387, 393 (1923). Indeed, if not for the Federal Circuit's improper action

[3] Colt's suggestion (Colt Br. p. 6) that the holding of the Federal Circuit on the jurisdictional issue was "dicta" or that the Federal Circuit "accepted . . . the Seventh Circuit's view" is incorrect. The Federal Circuit clearly summarized its jurisdictional holding:

> We have again concluded that this court has not been granted jurisdiction over an appeal from this type of summary judgment in an antitrust case.

Christianson, PA-27, 822 F.2d at 1559.

[4] Review is also appropriate under Supreme Court Rule 17.1(a) & (c) because the Federal Circuit's decision on the merits in the face of an express holding of a lack of jurisdiction is "in conflict with applicable decisions of this Court," (e.g., *Firestone*, *supra*), and is "such a departure" "from the accepted and usual course of judicial proceedings, . . . as to call for an exercise of this Court's power of supervision."

in deciding the merits, the conflict would have resulted in no review at all. The potential for such a "standoff" between the circuits is plainly contrary to Congressional intent, and should not be allowed to continue.

II. The Federal Circuit's Erroneous Decision on the Merits has Broad Effect.

Colt argues that the writ should be denied because the decision on the merits was correct so it doesn't matter that the jurisdictional issue was improperly resolved. To the contrary, the radical departure of the Federal Circuit from this Court's precedent in dealing with the merits, as outlined in Christianson's petition, makes the Federal Circuit's addressing of the merits without jurisdiction even more intolerable.

As a prime example of the broad ramifications of the Federal Circuit's decision on the merits, patentees, pursuant to the reasoning of *Christianson*, can hereafter readily conceal the best mode of carrying out their inventions. All they need do is simply not expressly reference or mention in their patent claims critical information which they know others will not be able to duplicate. This can be done even though the scope of the claims covers their products using such critical information. Moreover, this can be done even though it effectively allows the patentee to extend the monopoly of the patent beyond its statutory term.

This view is in direct conflict with the principles underlying the patent system, the plain language of 35 U.S.C. §112, and this Court's prior decisions, such as *Smith v. Snow*, 294 U.S. 1 (1935). In *Snow*, this Court pointed out that details could be left out of the patent claims in order to obtain a patent having a broad scope. Furthermore, it is clear from *Snow* that the disclosure may need to be much more detailed than the claims. 294 U.S. at 11-16 Consequently, for the reasons stated in the petition and herein, this Court should also grant the writ on the merits issue.

III. Conclusion

A Writ of Certiorari should issue to review the judgment and opinion of the Federal Circuit.

Respectfully submitted,

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